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ANNUAL AUDITED REPORT  
 FORM X-17A-5  
 PART III

FEB 28 2017

SEC FILE NUMBER
8-18435

FACING PAGE Washington DC  
 Information Required of Brokers and Dealers Pursuant to Section 17 of the  
 Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: FELTL and Company, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

800 LaSalle Avenue, Suite 2100

(No. and Street)

Minneapolis  
(City)

MINNESOTA  
(State)

55402  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Wipfli, LLP

(Name - if individual, state last, first, middle name)

8665 HUDSON Blvd, #200, ST PAUL MINNESOTA 55042

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

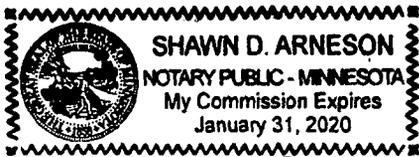
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

RMS

OATH OR AFFIRMATION

I, Michael B. Schierman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FBLTL and Company, Inc., as of December 31, 2016, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_



Shawn Arneson  
Notary Public

Michael B Schierman  
Signature  
CFO  
Title

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

# Feltl and Company, Inc.

Minneapolis, Minnesota

## Financial Statements and Additional Information

Years Ended December 31, 2016 and 2015

# Feltl and Company, Inc.

Financial Statements and Additional Information  
Years Ended December 31, 2016 and 2015

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# WIPFLi

## Report of Independent Registered Public Accounting Firm

Board of Directors  
Feltl and Company, Inc.  
Minneapolis, Minnesota

We have audited the accompanying balance sheets of Feltl and Company, Inc., as of December 31, 2016 and 2015, and the related statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of Feltl and Company, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Feltl and Company, Inc. as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Computation of Net Capital Under Rule 15c3-1 has been subjected to audit procedures performed in conjunction with the audit of Feltl and Company, Inc.'s financial statements. The supplemental information is the responsibility of Feltl and Company, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Computation of Net Capital Under Rule 15c3-1 is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Wipfli, LLP*

Wipfli LLP  
St. Paul, Minnesota

February 24, 2017

# Feltl and Company, Inc.

## Balance Sheets

December 31, 2016 and 2015

Assets	2016	2015
Cash and cash equivalents	\$ 2,757,258	\$ 3,690,091
Broker loans receivable, net	3,316,435	4,786,562
Securities owned, at market	380,384	2,005,934
Receivables from brokers, dealers and others	281,974	253,879
Fixed assets, net	179,365	290,315
Prepaid expenses and other assets	98,076	105,176
<b>TOTAL ASSETS</b>	<b>\$ 7,013,492</b>	<b>\$ 11,131,957</b>
<i>Liabilities and Stockholders' Equity</i>		
Liabilities:		
Accrued employee compensation and benefits	\$ 572,643	\$ 655,597
Amount due to clearing firm, secured by securities owned	29,788	100,685
Accounts payable	203,969	1,986,209
Securities sold, not yet purchased, at market	65	-
Accrued expenses and other liabilities	345,695	556,128
<b>Total liabilities</b>	<b>1,152,160</b>	<b>3,298,619</b>
Stockholders' equity:		
Common stock - Par value \$1.00 per share		
Authorized - 1,000 shares		
Issued and outstanding - 528 shares	528	528
Additional paid-in capital	2,613,177	2,363,177
Retained earnings	3,247,627	5,469,633
<b>Total stockholders' equity</b>	<b>5,861,332</b>	<b>7,833,338</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 7,013,492</b>	<b>\$ 11,131,957</b>

See accompanying notes to financial statements.

# Feltl and Company, Inc.

## Statements of Operations Years Ended December 31, 2016 and 2015

	2016	2015
Revenue:		
Commissions	\$ 7,941,932	\$ 9,687,797
Investment banking fees	372,082	1,283,235
Firm trading profit (loss)	108,351	(59,348)
Interest	154,985	165,503
Corporate finance fees	1,050,754	1,813,608
Other	1,070,036	1,234,316
Total gross revenue	10,698,140	14,125,111
Interest expense	4,577	4,693
Net revenues	10,693,563	14,120,418
Noninterest Expenses:		
Employee compensation and benefits	8,483,572	11,085,728
Communications	918,992	911,647
Occupancy and depreciation	1,153,449	1,158,245
Legal and professional fees	373,680	781,705
Trade processing	280,205	285,804
Regulatory fees and assessments	261,006	972,557
Provision for uncollectible broker notes	1,025,143	-
Other	419,522	415,433
Total operating expenses	12,915,569	15,611,119
Net loss	\$ (2,222,006)	\$ (1,490,701)

See accompanying notes to financial statements.

# Feltl and Company, Inc.

## Statements of Stockholders' Equity Years Ended December 31, 2016 and 2015

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	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balances at January 1, 2015	528	\$ 528	\$ 2,363,177	\$6,960,334	\$ 9,324,039
Net loss	-	-	-	(1,490,701)	(1,490,701)
Balances at December 31, 2015	528	528	2,363,177	5,469,633	7,833,338
Contributions by stockholders	-	-	250,000	-	250,000
Net loss	-	-	-	(2,222,006)	(2,222,006)
Balance at December 31, 2016	528	\$ 528	\$ 2,613,177	\$3,247,627	\$ 5,861,332

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See accompanying notes to financial statements.

# Feltl and Company, Inc.

## Statements of Cash Flows Years Ended December 31, 2016 and 2015

	2016	2015
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Net loss	\$ (2,222,006)	\$ (1,490,701)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	149,844	162,558
Provision for uncollectible broker loans	1,025,143	-
Amortization of broker loans receivable	427,326	500,918
Changes in operating assets and liabilities:		
Securities owned, at market	1,625,550	959,342
Receivables from brokers, dealers and others	(28,095)	163,576
Prepaid expenses and other assets	7,100	838
Accrued employee compensation and benefits	(82,954)	(357,238)
Accounts payable	(1,782,240)	1,538,780
Accrued expenses and other liabilities	(281,265)	(246,542)
Total adjustments	1,060,409	2,722,232
Net cash provided by (used in) operating activities	(1,161,597)	1,231,531
Cash flows from investing activities:		
Purchases of furniture and equipment	(38,894)	(88,253)
Payments received on broker loans	140,835	93,992
Issuance of broker loans	(123,177)	(1,331,915)
Net cash used in investing activities	(21,236)	(1,326,176)
Cash flows from financing activities - Contributions from stockholders	250,000	-
Net decrease in cash and cash equivalents	(932,833)	(94,645)
Cash and cash equivalents at beginning of year	3,690,091	3,784,736
Cash and cash equivalents at end of year	\$ 2,757,258	\$ 3,690,091

See accompanying notes to financial statements.

# Feltl and Company, Inc.

## Notes to Financial Statements

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### Note 1 Summary of Significant Accounting Policies

#### Principal Business Activities

Feltl and Company, Inc. (the "Company") is registered as a broker-dealer in securities with the Financial Industry Regulatory Authority (FINRA) and the Securities and Exchange Commission (SEC). The Company engages in the business of acting as a dealer, market maker, investment banker, and providing brokerage services with respect to equity and other securities. The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities and, accordingly, is exempt from SEC Rule 15c3-3. All securities transactions are cleared through a clearing broker on a fully disclosed basis. The Company is required to maintain a minimum balance of \$100,000 in cash and securities accounts with the clearing broker to collateralize certain transactions.

#### Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and certificates of deposit. The Company considers all highly liquid investments with original maturities of less than three months to be cash and cash equivalents.

#### Securities Owned

Securities transactions and related revenues and expenses are recorded on a trade date basis. Securities owned are stated at market value with related changes in unrealized gains or losses reflected in the Company's trading profit. Securities owned include U.S. equity securities, certificates of deposit with original maturities greater than three months, and debt securities. Market value is generally based on listed market prices. If listed market prices are not available, fair value is determined based on other relevant factors, including broker or dealer price quotations. All securities owned are pledged to the clearing broker on terms that permit the clearing broker to sell or repledge the securities to others subject to certain limitations.

# Feltl and Company, Inc.

## Notes to Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition

The Company recognizes commission revenues and related expenses on trade date. Revenues and related expenses from the sale of private placements and other corporate finance transactions are recognized on closing date. A portion of the Company's commission revenues has been allocated from firm trading profit in the form of sales credits allocated from the Company's traders to the Company's brokers.

The Company's Retail Registered Representatives ("RRRs") are independent contractors. As independent contractors, employment taxes and benefits are the responsibility of the RRRs. Generally, RRRs are paid 50% to 60% of their adjusted gross commissions, based upon their monthly gross commissions. Adjusted gross commissions represent gross commissions, less direct clearing costs, employee trades, and an amount for other heavily discounted trades.

Commissions and fees for principal and agency trades, managed money, mutual funds, insurance products, fixed-income products, and mortgage-backed securities are included in commissions on the statements of operations. Commissions for private placements are included in corporate finance fees, not gross commissions, and are paid at a lower rate plus an allocated amount for warrants, when available.

The Company's Institutional Registered Representatives are considered employees, receive a lower percentage of gross commissions than a RRR, and are reimbursed by the Company for their direct expenses.

#### Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code and comparable state regulations. Under these provisions, the Company generally does not pay federal or state corporate income taxes on its taxable income. Instead, the stockholders report on their personal income tax returns their proportionate share of the Company's taxable income and tax credits. The Company regularly assesses the outcome of uncertain tax positions, if any, and would accrue for any potential tax liabilities, if applicable.

Income tax returns for the years ended 2015, 2014, and 2013 remain open for examination by the applicable federal and state tax authorities. The Company has not yet filed its income tax returns for the year ended December 31, 2016.

# Feltl and Company, Inc.

## Notes to Financial Statements

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Fixed Assets

Depreciation on furniture and equipment is provided using the double declining balance method over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are depreciated on the straight-line method over the term of the lease, or the estimated useful lives of the assets, whichever is shorter.

#### Broker Loans Receivable

Included in brokers loans receivable are forgivable loans made to investment executives and other revenue-producing brokers, typically in connection with recruitment. Such forgivable loans are amortized as compensation expense over the life of the note, generally two to nine years, using the straight line method. Management assesses the likelihood of whether or not any loan would be repaid if a broker leaves the firm, and an allowance for the uncollectible portion is made if deemed necessary. As of December 31, 2016, broker loans receivable is net of an allowance for uncollectible loans of \$1,000,000. No allowance was considered necessary at December 31, 2015.

#### Fair Value of Financial Instruments

The financial instruments of the Company are reported in the balance sheets at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instruments.

#### Subsequent Events

Subsequent events have been evaluated through February 24, 2017, which is the date the financial statements were available to be issued.

# Felt and Company, Inc.

## Notes to Financial Statements

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### Note 2 Receivables from Brokers, Dealers and Others

Included in the receivables from brokers, dealers, and others are unsettled inventory trades. The Company's principal source of short-term financing is provided by the clearing broker from which it can borrow on an uncommitted basis against its inventory positions, subject to collateral maintenance requirements.

The Company conducts business with brokers and dealers who are members of the major securities exchanges. The Company monitors the credit standing of such brokers and dealers and the market value of collateral and requests additional collateral as deemed appropriate.

### Note 3 Financial Instruments With Off-Balance-Sheet Risk

In the ordinary course of business, the Company's securities activities involve execution, settlement, and financing of various securities transactions as principal and agent. These activities may expose the Company to credit and market risks in the event customers, other brokers and dealers, banks, depositories, or clearing organizations are unable to fulfill contractual obligations. Such risks may be increased by volatile trading markets. The Company clears all transactions for its customers on a fully disclosed basis with a clearing firm that carries all customer accounts and maintains related records. Nonetheless, the Company is liable to the clearing firm for the transactions of its customers. These activities may expose the Company to off-balance-sheet risk in the event that a counterparty is unable to fulfill its contractual obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss. The Company maintains all of its securities owned at a clearing firm, and these securities owned collateralize amounts due to the clearing firm.

The Company at times sells securities that it does not currently own and will, therefore, be obligated to purchase such securities at a future date. Securities sold, not yet purchased, were \$65 at December 31, 2016. The Company had no securities sold, but not yet purchased, at December 31, 2015.

# Feltl and Company, Inc.

## Notes to Financial Statements

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### Note 4 Concentration of Credit Risk

In the normal course of business, the Company maintains its cash in demand deposit and certificates of deposit accounts at various financial institutions. At times, balances in these accounts may exceed the Federal Deposit Insurance Corporation's insured limits of \$250,000. At December 31, 2016 and 2015, the Company exceeded the insured limits by approximately \$492,000 and \$719,000, respectively.

### Note 5 Fixed Assets

Fixed assets consist of the following:

	2016	2015
Leasehold improvements	\$ 747,803	\$ 725,040
Office equipment, furniture and fixtures	455,463	446,524
Computer equipment and software	244,725	237,533
Total	1,447,991	1,409,097
Accumulated depreciation	(1,268,626)	(1,118,782)
Net fixed assets	\$ 179,365	\$ 290,315

### Note 6 Leases

The Company leases office space and various items of equipment under noncancelable operating leases generally ranging from one to seven years with certain renewal options. The Company incurred total rent expense of approximately \$1,004,000 and \$996,000 during 2016 and 2015, respectively, related to these leases.

# Feltl and Company, Inc.

## Notes to Financial Statements

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### Note 6 Leases (Continued)

Future minimum payments, by year and in the aggregate, under the noncancelable operating leases with initial or remaining terms in excess of one year consisted of the following at December 31, 2016:

2017	\$	555,083
2018		293,685
2019		187,442
<hr/>		
Total	\$	1,036,210

### Note 7 Retirement Plan

The Company sponsors a 401(k) profit sharing plan covering substantially all employees. Employees are allowed to make voluntary contributions to the plan. The Company may make discretionary contributions to the plan at the discretion of the Board of Directors. Retirement plan expense charged to operations was approximately \$120,000 and \$157,000 for 2016 and 2015, respectively.

### Note 8 Regulatory Requirements

The Company is subject to the net capital requirements of FINRA and the Uniform Net Capital requirements of the SEC under Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. FINRA and the SEC requirements also provide that equity capital may not be withdrawn or cash dividends paid if aggregate indebtedness to net capital exceeds 10 to 1. At December 31, 2016, the Company had regulatory net capital of \$2,309,593 which was \$2,059,593 in excess of its required net capital of \$250,000. The Company's aggregate indebtedness to net capital ratio was 0.47 to 1.0.

# Feltl and Company, Inc.

## Notes to Financial Statements

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### Note 9 Commitments and Contingencies

The Company may be involved from time to time in various claims and legal proceedings of a nature considered normal to its business dealings. While any proceeding or litigation has an element of uncertainty, management of the Company believes that as of December 31, 2016, the outcome of any pending or threatened litigation will not have a material impact on the Company's financial condition or results of operations. During January, 2016, the Company settled employee related litigation that had commenced in 2014 for \$250,000, which is included in legal and professional fees in the 2015 statement of operations.

The Company extends margin credit to its customers through its clearing broker. In the event of a customer no-pay or default margin account, the Company is responsible for covering the shortage. All shortages may be paid through liquidation of customer securities held by the clearing broker. At December 31, 2016 and 2015, there were no customer margin credit lines that were in default.

The Company engages in underwriting activities and enters into firm commitments with certain customers for initial public offerings. Once an initial public offering starts trading on the open market, the Company is liable for funding all shares under the firm commitment. As of December 31, 2016 and 2015, there were no outstanding firm commitments with customers.

### Note 10 Fair Value Measurements

Following is a description of the valuation methodology used for assets measured at fair value on a recurring basis, as well as the classification of the assets within the fair value hierarchy.

Securities owned - Securities owned may be classified as Level 1, Level 2, or Level 3 measurements within the fair value hierarchy. Level 1 securities include equity securities traded on a national exchange. The fair value measurement of a Level 1 security is based on the quoted price of the security. Level 2 securities include U.S. government and agency securities, obligations of states and political subdivisions, corporate debt securities, certificates of deposit, and mortgage-related securities. The fair value measurement of a Level 2 security is obtained from an independent pricing service and is based on recent sales of similar securities and other observable market data. The fair value measurement of a Level 3 security is based on a discounted cash flow model that incorporates assumptions market participants would use to measure the fair value of the security.

# Feltl and Company, Inc.

## Notes to Financial Statements

### Note 10 Fair Value Measurements (Continued)

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31 follows:

	Assets Measured at Fair Value	Recurring Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2016				
Securities owned:				
Certificates of deposit	\$ 250,629	\$ -	\$ 250,629	\$ -
Equity securities	43,987	43,987	-	-
Debt securities	85,768	-	85,768	-
<b>Assets - Securities owned</b>	<b>\$ 380,384</b>	<b>\$ 43,987</b>	<b>\$ 336,397</b>	<b>\$ -</b>
2015				
Securities owned:				
Certificates of deposit	\$ 1,548,222	\$ -	\$ 1,548,222	\$ -
Equity securities	210,471	210,471	-	-
Debt securities	247,241	-	247,241	-
<b>Assets - Securities owned</b>	<b>\$ 2,005,934</b>	<b>\$ 210,471</b>	<b>\$ 1,795,463</b>	<b>\$ -</b>

### Note 11 Related-Party Transactions

The Company earns a management fee from a related party, Feltl Advisors, LLC. Fees are earned in exchange for providing office space and back office support. During 2016 and 2015, the Company recognized \$415,435 and \$512,781 in management fees, respectively, which are recorded in other revenue. From time to time, the Company may enter into subordinated borrowings with related parties. These transactions are available in computing net capital under the SEC's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with the net capital requirements, they may not be repaid. At December 31, 2016 and 2015, there were no subordinated borrowings outstanding. The Company's primary banking relationship and cash accounts are maintained with a related party, a bank, which is under common ownership as the Company.

### Note 12 Supplemental Cash Flow Information

Cash paid for interest was \$4,577 in 2016 and \$4,693 in 2015.

# Feltl and Company, Inc.

## Notes to Financial Statements

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### Note 12 Self-Funded Insurance

Beginning in 2015 Feltl and Company, Inc began insuring its employees under a self-funded health care plan that provides medical benefits to employees and their dependents. This health care cost is expensed throughout the year based on estimated claims. The health care expense is based on actual claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The Company has reinsurance to cover catastrophic individual claims over \$40,000 and aggregate claims exceeding \$262,603.

Total health and dental care expense for 2016 and 2015 was \$197,803 and \$200,683, respectively. A liability of \$65,000 and \$43,000 for possible claims outstanding at December 31, 2016 and 2015, respectively, has been recorded. Management believes this liability is sufficient to cover estimated claims including claims incurred but not yet reported. Claims may only be submitted through March 31 of the subsequent year for the claims incurred in the prior year.

# Additional Information

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# Feltl and Company, Inc.

## Computation of Net Capital and Aggregate Indebtedness Under Rule 15c3-1 of the Securities and Exchange Commission December 31, 2016

Net capital:	
Total stockholders' equity	5,861,332
Deductions and/or charges:	
Nonallowable assets:	
Broker loans receivable	3,316,435
Receivables from non-customers	1,448
Prepaid expenses and other assets	98,076
Portion of fixed assets, net	121,331
Total nonallowable assets	3,537,290
Net capital before haircuts on securities positions	2,324,042
Haircuts on securities	14,449
Net capital	\$ 2,309,593
Aggregate indebtedness:	
Items included in balance sheet:	
Amount due to clearing firm, secured by securities owned	\$ 29,788
Portion of accrued expenses and other liabilities	1,062,066
Total aggregate indebtedness	\$ 1,091,854
Computation of basic net capital requirement	
Minimum net capital required, <i>greater of</i> :	
6.67% of aggregate indebtedness	\$ 72,790
Minimum dollar requirement	250,000
Net capital requirement	\$ 250,000
Excess net capital	\$ 2,059,593
Ratio: Aggregate indebtedness to net capital	0.47

There were no material differences between the audited Computation of Net Capital included in this report and the corresponding schedule included in the Company's unaudited amended December 31, 2016, Part IIA FOCUS filed in February 2017.

# WIPFLI

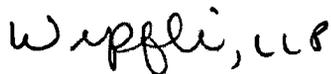
## Report of Independent Registered Public Accounting Firm

Board of Directors  
Feltl and Company, Inc.  
Minneapolis, Minnesota

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Feltl and Company, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Feltl and Company, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (2)(ii) (the "exemption provisions") and (2) Feltl and Company, Inc. stated that Feltl and Company, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Feltl and Company, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Feltl and Company, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Wipfli LLP  
St. Paul, Minnesota

February 24, 2017

### **Feltl & Company's Exemption Report**

Feltl & Company (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(ii).
- (2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k)(2)(ii) throughout the most recent fiscal year without exception.

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**Feltl & Company**

I, Mike Schierman, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: Michael B. Schierman

Title: CFO

**February 24, 2017**

# WIPFLi

## Report of Independent Registered Public Accounting Firm On Applying Agreed-Upon Procedures

Board of Directors  
Feltl and Company, Inc.  
Minneapolis, Minnesota

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2016, which were agreed to by Feltl and Company, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Feltl and Company, Inc.'s compliance with the applicable instructions of Form SIPC-7. Feltl and Company, Inc.'s management is responsible for Feltl and Company, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries including evaluation of the Company's bank statement, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 (FOCUS Report) for the year ended December 31, 2016 with the amounts reported in Form SIPC-7 for the year ended December 31, 2016, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences (if applicable).

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Wipfli, LLP*

Wipfli LLP  
St. Paul, Minnesota

February 24, 2017